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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN JOSE DIVISION

JAMES RAFTON, TRUSTEE OF THE
 JAMES & CYNTHIA RAFTON TRUST, et al.,

Plaintiffs,

v.

RYDEX SERIES FUNDS, et al.,

Defendants.

No. CV 10-01171 CRB

Action Filed: March 19, 2010

UPDATED JOINT CASE MANAGEMENT
 STATEMENT

CLASS ACTION

JOINT CASE MANAGEMENT STATEMENT

Pursuant to Federal Rule of Civil Procedure 16(c), 26(f), and Civil Local Rule 16-10(d), Lead Plaintiffs James Rafton and James Darst, Jr. (collectively, “Lead Plaintiffs”), Defendants Rydex Series Funds, PADCO Advisors, Inc. d/b/a Rydex Investments, Inc., Rydex Distributors, Inc., Richard M. Goldman, Carl G. Verboncoeur, Nick Bonos, and Michael P. Byrum (collectively, the “Rydex Defendants”), and Defendants John O. Demaret, Corey A. Colehour, J. Kenneth Dalton, Werner E. Keller, Thomas F. Lydon, Patrick T. McCarville, and Roger Somers (collectively, the “Independent Trustee Defendants”) submit this Updated Joint Case Management Statement.

The parties update their prior Joint Case Management Statement and respectfully state the following:

1. Discovery:

Since the last Joint Case Management Statement, the Parties have undertaken extensive discovery. The Parties propounded and responded to extensive requests for the production of documents and have completed the initial exchange and review of over 22,000 pages of documents. In addition, experts for the Parties separately have conducted extensive analysis regarding both liability and damages, including preliminary analysis of all of the available trading records of investors in the Fund over the Class Period. The Rydex Defendants have propounded interrogatories on the Lead Plaintiffs, which the Lead Plaintiffs have responded to. Lead Plaintiffs have likewise propounded interrogatories.

Defendants have produced an expert report on class certification issues.

Finally, Defendants have completed the deposition of proposed class representative James Darst, Jr. and taken one full day of the deposition of proposed class representative James Rafton.

2. Settlement and ADR:

The Parties have participated in an extended settlement meeting that included experts from both sides. The Parties have exchanged preliminary damages calculations and had a frank and productive discussion regarding the strengths and weaknesses of the Parties’ respective cases.

1 It is clear from the information exchanged that there is a significant probability that the Parties
2 will be able to reach a tentative settlement with further negotiations.

3 To date, the Parties have not used a professional mediator in settlement negotiations, and
4 given the tenor and nature of the discussions to date, it appears that a mediator will not be needed.
5 However, the Parties have reserved a mediation date with W. Randolph Wulff for August 1, 2011,
6 and will maintain that date if necessary.

7 3. Motions:

8 Submitted at the same time as this Joint Case Management Statement is a stipulated
9 request for a modification of the Case Management Scheduling Order to postpone two dates
10 relating to expert class certification discovery. The Parties have jointly requested this limited
11 modification in order to attempt to resolve the case without incurring unnecessary additional
12 expenses.

13 Dated: May 27, 2011

Respectfully submitted,

14 ALAN W. SPARER
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17 JAMES S. NABWANGU
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19 By: /s/ Alan W. Sparer
20 ALAN W. SPARER

21 Counsel for JAMES RAFTON, TRUSTEE OF
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23 TRUST and JAMES DARST, JR., AS
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26 Concurrence in the filing of this document has been obtained from each of the other
27 signatories.
28

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